

BRACEWELL & PATTERSON

2900 SOUTH TOWER PENNZOIL PLACE
HOUSTON, TEXAS 77002-2781
713 223 2900
CABLE BRACEPAT HOU
TELEX 76 2141

2000 K STREET N.W.
WASHINGTON, D. C. 20006-1809
202 828 5800
TELEX 89 2573
22 GROSVENOR SQUARE
LONDON W1X 0DY
01 491 4805
TELEX 23459
100 CONGRESS AVENUE
AUSTIN, TEXAS 78701-4042
512 472 7800

December 15, 1988

Secretary, Interstate Commerce
Commission
Washington, D.C.

INTERSTATE COMMERCE COMMISSION

8-351A102
No. 13.00
Date DEC 16 1988

DEC 6 1988 11:35 AM

RECORDATION NO. 1 6084

Dear Secretary:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This is a primary document dated as of December 15, 1988 and a security agreement.

The names and addresses of the parties to the documents are as follows:

Secured Party: Algemene Bank Nederland N.V.
Three Riverway, Suite 1600
Houston, Texas 77056

Borrower: ISC Acquisition Company
Koppers Building
436 7th Avenue
Pittsburgh, Pennsylvania 15219

A description of the equipment covered in the document is attached hereto as Schedule 1.

Included in the property covered by the primary document described above are railroad cars intended for use related to interstate commerce that will be owned by ISC Acquisition Company or its successors after the date of such primary document.

RECEIVED
DEC 16 1988
11 31 AM

Copy to Secretary - for use

BRACEWELL & PATTERSON

Secretary, Interstate Commerce
Commission
May 3, 1988
Page 2

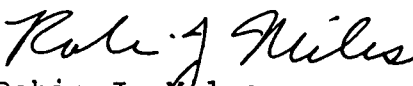
A fee of \$13.00 is enclosed. Please return the original and extra copies not needed by the Commission for recordation to Robin J. Miles.

A short summary of the document to appear in the index follows:

Security Agreement dated as of December 15, 1988 between ISC Acquisition Company, Koppers Building, 436 7th Avenue, Pittsburgh, Pennsylvania 15219 and Algemene Bank Nederland N.V., 1600 Three Riverway, Houston, Texas 77056 covering 35 railroad cars.

Very truly yours,

Bracewell & Patterson


Robin J. Miles

RJM/jac
Enclosures

92RJMS/O

SCHEDULE 1

Railcars Owned by the Company:

Car Number

KGCX 400	KGCX 420
KGCX 401	KGCX 421
KGCX 402	KGCX 422
KGCX 403	KGCX 423
KGCX 404	KGCX 424
KGCX 405	KGCX 425
KGCX 406	KGCX 426
KGCX 407	KGCX 427
KGCX 408	KGCX 428
KGCX 409	KGCX 429
KGCX 410	KGCX 430
KGCX 411	KGCX 431
KGCX 412	KGCX 432
KGCX 413	KGCX 433
KGCX 414	KGCX 434
KGCX 415	
KGCX 416	
KGCX 417	
KGCX 418	
KGCX 419	

94RJMS/G

Interstate Commerce Commission

Washington, D.C. 20423

OFFICE OF THE SECRETARY

Robin J- Miles

2900 South Tower Pennzoil Place

Houston, TX 77002

12/16/88

Dear

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/16/88 at 11:35AM, and assigned recordation number(s). 16084

Sincerely yours,



Secretary

Enclosure(s)

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

DEC 16 1988 11:35 AM

RECORDATION NO. 1 6084
FEB 14 1989

AGREEMENT dated as of December 15, 1988 between
ISC ACQUISITION COMPANY, a Delaware corporation (with its
successors, the "Company") and ALGEMENE BANK NEDERLAND N.V.,
HOUSTON AGENCY, as agent (the "Agent").

W I T N E S S E T H :

WHEREAS, the Company, certain banks (the "Banks"),
Algemene Bank Nederland N.V., Houston Agency and The Bank of
Nova Scotia, as Managers, and Algemene Bank Nederland N.V.,
Houston Agency, as agent for the Banks, are parties to a
Credit Agreement dated as of December 15, 1988 (as the same
may be further amended and in effect from time to time, the
"Credit Agreement"), providing, subject to the terms and
conditions thereof, for extensions of credit (by making loans
and issuing letters of credit) to be made by the Banks to
the Company;

WHEREAS, the Company may, after the date hereof,
become obligated to the Banks under one or more Interest Rate
Agreements (as defined in the Credit Agreement) as con-
templated by Section 9.23 of the Credit Agreement;

WHEREAS, the Company and Algemene Bank Nederland
N.V., Houston Agency ("ABN") are parties to a Contingent
Purchase Agreement, dated as of December 15, 1988 (as the
same may be amended and in effect from time to time, the
"ESOP Guarantee") pursuant to which the Company guarantees
the obligations of the ISC Acquisition Company Employee Stock
Ownership Plan (and the trust forming a part thereof) under a
Loan Agreement, dated as of December 15, 1988, between said
plan (and said trust) and ABN (as the same may be amended and
in effect from time to time, the "ESOP Loan Agreement"); and

WHEREAS, in order to induce the Banks and the Agent
to enter into the Credit Agreement, in order to induce the
Banks to enter into any Interest Rate Agreements and in order
to induce ABN to enter into the ESOP Loan Agreement, the
Company has agreed to grant a continuing security interest in
and to the Collateral (as hereafter defined) to secure its
obligations and the obligations of the Company under the
Credit Agreement, including, without limitation, its obliga-
tions under the notes issued pursuant to the Credit Agree-
ment, its reimbursement obligations with respect to letters

ment, including, without limitation, its obligations under the notes issued pursuant to the Credit Agreement, its reimbursement obligations with respect to letters of credit issued pursuant thereto and its guaranties thereunder, and its obligations in respect of Secured Interest Rate Indebtedness (as defined below), and the obligations of the Company under the ESOP Guarantee;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions

Terms defined in the Credit Agreement and not otherwise defined herein have, as used herein, the respective meanings provided for therein. The following additional terms, as used herein, have the following respective meanings:

"Accounts" means all "accounts" (as defined in the UCC) now owned or hereafter acquired by the Company, and shall also mean and include all accounts receivable, contract rights, book debts, notes, drafts and other obligations or indebtedness owing to the Company arising from the sale, lease or exchange of goods or other property by it and/or the performance of services by it (including, without limitation, any such obligation which might be characterized as an account, contract right or general intangible under the Uniform Commercial Code in effect in any jurisdiction) and all of the Company's rights in, to and under all purchase orders for goods, services or other property, and all of the Company's rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid sellers' rights of rescission, replevin, reclamation and rights to stoppage in transit) and all monies due to or to become due to the Company under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services by it (whether or not yet earned by performance on the part of the Company), in each case whether now in existence or hereafter arising or acquired including, without limitation, the right to receive the proceeds of said

purchase orders and contracts and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

"Collateral" has the meaning set forth in Section 3.

"Collateral Account" has the meaning set forth in Section 5.

"Documents" means all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing goods, now owned or hereafter acquired, by the Company.

"Equipment" means all "equipment" (as defined in the UCC) now owned or hereafter acquired by the Company, including without limitation all motor vehicles, trucks, forklifts, tractors, cranes, trailers and Rolling Stock.

"Event of Default" has the meaning set forth in the Credit Agreement; provided that at any time after payment in full of all Loans and Letter of Credit Liabilities outstanding under the Credit Agreement and termination of the Commitments and Letters of Credit thereunder in their entirety, "Event of Default" shall mean any Purchase Event under the ESOP Guarantee.

"General Intangibles" means all "general intangibles" (as defined in the UCC) now owned or hereafter acquired by the Company, including, without limitation, (i) all right, title and interest of the Company under the Assigned Agreements, (ii) all right, title and interest of the Company in any joint venture partnerships, (iii) all obligations or indebtedness owing to the Company (other than Accounts) from whatever source arising and (iv) all Patent Licenses, Patents, Trademark Licenses, Trademarks, rights in intellectual property, goodwill, trade names, service marks, trade secrets, copyrights, permits and licenses.

"Instruments" means all "instruments", "chattel paper" or "letters of credit" (each as defined in the UCC) evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any of the Accounts, including (but not limited to) promissory notes,

drafts, bills of exchange and trade acceptances, now owned or hereafter acquired by the Company.

"Inventory" means all "inventory" (as defined in the UCC), now owned or hereafter acquired by the Company, wherever located, and shall also mean and include, without limitation, all raw materials and other materials and supplies, work-in-process and finished goods and any products made or processed therefrom and all substances, if any, commingled therewith or added thereto.

"Leased Rolling Stock" has the meaning set forth in Section 3(A).

"Majority Banks" means, at any time Secured Parties holding at least 66 2/3% of the outstanding aggregate principal amount of (i) the Loans (other than Swing Loans) and Letter of Credit Liabilities (other than in respect of Swing Letters of Credit but including, without limitation, participation in the Participation Letters of Credit) under the Credit Agreement (or, if no such Loans or Letter of Credit Liabilities are outstanding at such time, the aggregate amount of the Commitments of the Banks under the Credit Agreement) and (ii) the loans under the ESOP Loan Agreement (or, if no such loans are outstanding at such time, the amount of ABN's commitment under the ESOP Loan Agreement).

"Patent License" means any written agreement now or hereafter in existence granting to the Company any right to practice any invention on which a Patent is in existence, including, without limitation, the agreements described in Schedule 1 to Exhibit A hereto.

"Patents" means all the following: (i) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those referred to in Schedule 1 to Exhibit A hereto, and (ii) all reissues, continuations, continuations-in-part or extensions thereof.

"Patent Security Agreement" means the Patent Security Agreement executed and delivered by the Company in favor of the Agent, for the ratable benefit of the Secured Parties, substantially in the form of Exhibit A, as the same may be amended from time to time.

"Perfection Certificate" means a certificate substantially in the form of Exhibit C, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Agent, and duly executed by the president of the Company.

"Permitted Liens" means the Security Interests and the Liens on the Collateral permitted to be created, assumed or exist pursuant to Section 9.14 of the Credit Agreement.

"Proceeds" means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, collateral, including without limitation all claims of the Company against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any collateral, and any condemnation or requisition payments with respect to any collateral, in each case whether now existing or hereafter arising.

"Rolling Stock" means all railcars, barges and other water carrier equipment, including without limitation, the rail hopper cars and tank cars listed on Schedule 1 hereto and all accessions, appurtenances and parts installed on and additions thereto, and replacements thereof, now owned or hereafter acquired by the Company.

"Rolling Stock Leases" has the meaning set forth in Section 3(A).

"Rolling Stock Revenues" means any monies, revenues, payments or credits now owned or hereafter acquired by the Company which are generated by or attributable to the Rolling Stock or Leased Rolling Stock, including, without limitation, car hire payments, mileage allowances, per diem mileage payments, empty mileage allowances, mileage credits and excess

mileage credits, in each case whether now existing or hereafter arising.

"Secured Interest Rate Indebtedness" means the obligations of the Company to the Banks in respect of the Interest Rate Agreements contemplated by Section 9.23 of the Credit Agreement.

"Secured Obligations" means the obligations secured under this Agreement including (a) all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Company) on any Loan under, or any note issued pursuant to, or any Reimbursement Obligation under, the Credit Agreement, (b) all other amounts payable by the Company hereunder or under the Credit Agreement, (c) all obligations of the Company to the Secured Parties constituting Secured Interest Rate Indebtedness, (d) all obligations of the Company under the ESOP Guarantee and (e) any renewals or extensions of any of the foregoing.

"Secured Parties" means (i) the Banks, (ii) ABN, as agent hereunder and under the Credit Agreement, (iii) the Banks holding Secured Interest Rate Indebtedness and (iv) ABN, as beneficiary of the ESOP Guarantee.

"Security Interests" means the security interests granted pursuant to Section 3, as well as all other security interests created or assigned as additional security for the Secured Obligations pursuant to the provisions of this Agreement.

"Trademark License" means any written agreement now or hereafter in existence granting to the Company any right to use any Trademark, including, without limitation, the agreements described in Schedule 1 to Exhibit B hereto.

"Trademarks" means all of the following:
(i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or

hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, including, without limitation, those described in Schedule 1 to Exhibit B thereto, and (ii) all reissues, extensions or renewals thereof.

"Trademark Security Agreement" means the Trademark Security Agreement executed and delivered by the Company in favor of the Agent, for the ratable benefit of the Secured Parties, substantially in the form of Exhibit B, as the same may be amended from time to time.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

SECTION 2. Representations and Warranties

The Company represents and warrants as follows:

(A) The Company has good and marketable title to all of the Collateral, free and clear of any Liens other than the Permitted Liens. The Company has taken all actions necessary under the UCC to perfect its interest in any Accounts purchased or otherwise acquired by it, as against its assignors and creditors of its assignors.

(B) The Company has not performed any acts which might prevent the Agent from enforcing any of the terms of this Agreement or which would limit the Agent in any such enforcement. Other than financing statements or other similar or equivalent documents or

instruments with respect to the Security Interests and Permitted Liens, (i) no financing statement, mortgage, security agreement or similar or equivalent document or instrument covering all or any part of the Collateral is on file or of record in any jurisdiction in which such filing or recording would be effective to perfect a Lien on such Collateral and (ii) no certificate of title, financing statement or filing with the Interstate Commerce Commission ("ICC"), the Association of American Railroads, the Department of Transport or any other government or industry authority with respect to any of the Rolling Stock listed on Schedule 1 is outstanding or on file. No Collateral is in the possession of any Person (other than the Company) asserting any claim thereto or security interest therein, except that the Agent or its designee may have possession of Collateral as contemplated hereby.

(C) Not later than the date of the first Borrowing under the Credit Agreement, the Company shall deliver the Perfection Certificate to the Agent. The information set forth therein shall be correct and complete. Not later than 60 days following the date of the first Borrowing, the Company shall furnish to the Agent file search reports from each filing office set forth in Schedule 7 to the Perfection Certificate or other evidence satisfactory to the Majority Banks confirming the filing information set forth in such Schedule.

(D) (I) When UCC financing statements in appropriate form have been filed in the offices specified in the Perfection Certificate, and this Agreement has been filed in the records of the ICC, the Security Interests shall constitute valid and perfected security interests in the Collateral (except Inventory in transit) to the extent that a security interest therein may be perfected by filing pursuant to the UCC or filing with the ICC, prior to all other Liens and rights of others therein except for the Permitted Liens.

(II) When the Patent Security Agreement and the Trademark Security Agreement shall have been filed with the United States Patent and Trademark Office, the Security Interests shall constitute valid and perfected security interests in all right, title and interest of the Company in Trademarks and Patents,

prior to all other Liens and rights of others therein except for the Permitted Liens.

(E) The Inventory and Equipment are insured in accordance with the requirements of the Credit Agreement.

(F) All Inventory has or will have been produced in compliance with the applicable requirements of the Fair Labor Standards Act, as amended.

(G) The description of the railcars contained in Schedule 1 hereto is an accurate description of the type of railway equipment that the railcars constitute, the A.A.R. mechanical designation thereof, all identifying marks thereon, sufficient in all respects to comply with the requirements of any applicable filing or other regulations governing perfection of a security interest therein.

(H) The Company has heretofore delivered true and correct copies of the Rolling Stock Leases as of this date and will deliver within five (5) Business Days of receiving any other Rolling Stock Lease or any amendment to any Rolling Stock Lease executed by the other party thereto a copy of such other Rolling Stock Lease or amendment.

SECTION 3. The Security Interests

(A) In order to secure the full and punctual payment of the Secured Obligations in accordance with the terms thereof, and to secure the performance of all of the obligations of the Company hereunder, under the Credit Agreement, under any Secured Interest Rate Indebtedness and under the ESOP Guarantee, the Company hereby grants to the Agent for the ratable benefit of the Secured Parties a continuing security interest in and to all of the following property of the Company, whether now owned or existing or hereafter acquired or arising and regardless of where located (all being collectively referred to as the "Collateral"):

- (1) Accounts;
- (2) Inventory;
- (3) General Intangibles;

(4) Documents;

(5) Instruments;

(6) Equipment;

(7) The Collateral Account, all cash deposited therein from time to time, the Liquid Investments made pursuant to Section 5(D) and other monies and property of any kind of the Company in the possession or under the control of the Agent;

(8) All books and records (including, without limitation, customer lists, marketing information, credit files, price lists, operating records, vendor and supplier price lists, sales literature, computer programs, printouts and other computer materials and records) of the Company pertaining to any of the Collateral;

(9) All right, title, claims and benefits now owned or hereafter acquired by the Company in and to those railcar leases and subleases identified on Schedule 2 hereto and any other railcar leases, subleases, rental agreements and car hire contracts in which the Company shall at any time have any interest, and any right, title, claim and benefits of the Company now owned or hereafter acquired in and to any management agreement concerning all such leases and agreements (collectively, "Rolling Stock Leases"); and all right, title and interest of the Company in the railcars and equipment provided pursuant to the Rolling Stock Leases, including without limitation, those railcars identified on Schedule 3 hereto ("Leased Rolling Stock"); in each case, including, without limitation, all rights of the Company to receive and apply any Rolling Stock Revenues attributable to the Leased Rolling Stock or pursuant to the Rolling Stock Leases;

(10) All rights now owned or hereafter acquired by the Company to receive and collect any Rolling Stock Revenues; and

(11) All Proceeds of, attachments or accessions to, or substitutions for all or any of the Collateral described in Clauses 1 through 10 hereof.

(B) The Security Interests are granted as security only and shall not subject the Agent or any Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Company with respect to any of the Collateral or any transaction in connection therewith.

SECTION 4. Further Assurances; Covenants

(A) (I) The Company will not change the location of (i) its chief executive office or chief place of business or (ii) the locations where it keeps or holds any Collateral (other than Inventory) or any records relating thereto from the applicable location described in the Perfection Certificate unless it shall have given the Agent prior notice thereof and, at the request of the Agent, delivered an opinion of counsel with respect thereto in accordance with Section 4(N). The Company shall not in any event change the location of any Collateral if such change would cause the Security Interests in such Collateral to lapse or cease to be perfected, except for the shipping of Inventory in the ordinary course of business.

(II) The Company will not change its name, identity or corporate structure in any manner unless it shall have given the Agent prior notice thereof and delivered an opinion of counsel with respect thereto in accordance with Section 4(N).

(B) The Company will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including, without limitation, any filings with the United States Patent and Trademark Office, any filings with the ICC and any filings of financing or continuation statements under the UCC) that from time to time may be necessary or desirable, or that the Agent may request, in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm or validate the Security Interests or to enable the Agent and the Secured Parties to obtain the full benefits of this

Agreement, or to enable the Agent to exercise and enforce any of its rights, powers and remedies hereunder with respect to any of the Collateral. To the extent permitted by law, the Company hereby authorizes the Agent to execute and file financing statements or continuation statements without the Company's signature appearing thereon. The Company agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. The Company shall pay the costs of, or incidental to, any recording or filing of any financing or continuation statements concerning the Collateral.

(C) If any Collateral is at any time in the possession or control of any warehouseman, bailee or any of the Company's agents or processors, the Company shall, upon the request of the Agent acting on the instructions of the Majority Banks, notify such warehouseman, bailee, agent or processor of the Security Interests created hereby and to hold all such Collateral for the Agent's account subject to the Agent's instructions.

(D) The Company shall keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Majority Banks may reasonably require in order to reflect the Security Interests.

(E) The Company will immediately deliver and pledge each Instrument to the Agent, appropriately endorsed to the Agent, provided that so long as no Event of Default shall have occurred and be continuing, the Company may retain for collection in the ordinary course any Instruments (other than checks and drafts constituting payments in respect of Accounts, as to which the provisions of Section 5(B) shall apply) received by it in the ordinary course of business and the Agent shall, promptly upon request of the Company, make appropriate arrangements for making any other Instrument pledged by the Company available to it for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate to the Agent, against trust receipt or like document).

(F) The Company shall use its best efforts to cause to be collected from its account debtors, as

and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account, except that, unless an Event of Default has occurred and is continuing, the Company may allow in the ordinary course of business as adjustments to amounts owing under its Accounts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which the Company finds appropriate in accordance with sound business judgment and (ii) a refund or credit due as a result of returned or damaged merchandise, all in accordance with the Company's ordinary course of business consistent with its historical collection practices. The costs and expenses (including, without limitation, attorney's fees) of collection, whether incurred by the Company or the Agent, shall be borne by the Company.

(G) Upon the occurrence and during the continuance of any Event of Default, upon the request of the Majority Banks, the Company will promptly notify (and the Company hereby authorizes the Agent so to notify) each account debtor in respect of any Account or Instrument that such Collateral has been assigned to the Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Agent or its designee.

(H) The Company shall, at the Agent's request, deliver to the Agent any and all certificates of title, applications for title or similar evidence of ownership of such Equipment and shall cause the Agent to be named as lienholder on any such certificate of title or other evidence of ownership. The Company shall promptly inform the Agent of any additions to or deletions from the Equipment and shall not permit any such items to become a fixture to real estate or an accession to other personal property, except for real estate or personal property in which the Agent has a perfected lien for the benefit of the Banks.

(I) The Company shall, at the Agent's request, at the Company's own cost and expense, cause to be plainly, distinctly, permanently and conspicuously placed, fastened, or painted upon each side

of each item of Rolling Stock a legend bearing such words as the Agent may request indicating the Lien over and security interest in such Rolling Stock created hereby in letters not less than one inch in height. The Company shall not permit the Rolling Stock to be operated outside the boundaries of the continental United States, except that the Company may, in the ordinary course of its business, operate Rolling Stock in Canada; provided that any such Rolling Stock is used only for transporting goods to or from the continental United States and not for the storage of goods or materials outside of the continental United States.

(J) Without the prior written consent of the Majority Banks, the Company will not (a) sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any Collateral except as permitted under Section 9.13 of the Credit Agreement and, in the case of any such sale or exchange, the Security Interests created hereby in such item (but not in any Proceeds arising from such sale or exchange) shall cease immediately without any further action on the part of the Agent; or (b) create, incur or suffer to exist any Lien with respect to any Collateral, except for the Permitted Liens.

(K) Prior to the date of the first borrowing under the Credit Agreement, the Company will cause the Agent to be named as an insured party and loss payee on each insurance policy covering risks relating to any of its Inventory and Equipment. The Company will deliver to the Agent, upon request of the Agent, the insurance policies for such insurance. Each such insurance policy shall include effective waivers by the insurer of all claims for insurance premiums against the Agent or any Secured Party, provide that all insurance proceeds shall be adjusted with and payable to the Agent and provide that no cancellation or termination thereof shall be effective until at least 30 days after receipt by the Agent of written notice thereof.

(L) The Company will, promptly upon request, provide to the Agent all information and evidence it may reasonably request concerning the Collateral, and in particular the Accounts, to enable the Agent to enforce the provisions of this Agreement.

(M) The Company shall notify the Agent immediately if it knows, or has reason to know, that

any application or registration relating to any Patent or Trademark may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding the Company's ownership of any Patent or Trademark, its right to register the same, or to keep and maintain the same. In the event that any Patent, Patent License, Trademark or Trademark License is infringed, misappropriated or diluted by a third party, the Company shall notify the Agent promptly after it learns thereof and shall, unless the Company shall reasonably determine that any such action would be of negligible economic value, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and take such other actions as the Company shall reasonably deem appropriate under the circumstances to protect such Patent, Patent License, Trademark or Trademark License. In no event shall the Company, either itself or through any agent, employee or licensee, file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, unless not less than 30 days prior thereto it informs the Agent, and, upon request of the Agent, executes and delivers any and all agreements, instruments, documents and papers the Agent may request to evidence the Security Interests in such Patent or Trademark and the goodwill and general intangibles of the Company relating thereto or represented thereby, and the Company hereby constitutes the Agent its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest shall be irrevocable until the Secured Obligations are paid in full.

(N) Not more than six months nor less than 10 days prior to each date on which the Company proposes to take any action contemplated by Section 4(A)(I) or (II), at the request of the Agent, the Company shall, at its cost and expense, cause to be delivered to the Secured Parties an opinion of counsel, satisfactory to the Agent, substantially in the form of Exhibit D to the effect that all financing statements and amendments or supplements thereto, continuation

statements and other documents required to be recorded or filed in order to perfect and protect the Security Interests for a period, specified in such opinion, continuing until a date not earlier than eighteen months from the date of such opinion, against all creditors of and purchasers from the Company have been filed in each filing office necessary for such purpose and that all filing fees and taxes, if any, payable in connection with such filings have been paid in full.

(O) Within five (5) Business Days of entering into any Rolling Stock Lease, the Company will deliver such Rolling Stock Lease to the Agent.

(P) From time to time upon request by the Agent, the Company shall, at its cost and expense, cause to be delivered to the Secured Parties an opinion of counsel satisfactory to the Agent as to such matters relating to the transactions contemplated hereby as the Majority Banks may reasonably request.

SECTION 5. Collateral Account

(A) There is hereby established with the Agent a cash collateral account (the "Collateral Account") in the name and under the control of the Agent into which there shall be deposited from time to time the cash proceeds of the Collateral required to be delivered to the Agent pursuant to subsection (B) of this Section 5 or any other provision of this Agreement. Any income received by the Agent with respect to the balance from time to time standing to the credit of the Collateral Account, including any interest or capital gains on Liquid Investments, shall remain, or be deposited, in the Collateral Account. All right, title and interest in and to the cash amounts on deposit from time to time in the Collateral Account together with any Liquid Investments from time to time made pursuant to subsection (D) of this Section shall vest in the Agent, shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied thereto as hereinafter provided.

(B) The Company shall instruct all account debtors and other Persons obligated in respect of all Accounts to make all payments in respect of such Accounts either (i) directly to the Agent (by instruct-

ing that such payments be remitted to a post office box which shall be in the name and under the control of the Agent) or (ii) to one or more other banks in any state (other than Louisiana) in the United States (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of such bank) under a Lockbox Letter substantially in the form of Exhibit E hereto duly executed by the Company and such bank or under other arrangements, in form and substance satisfactory to the Agent, pursuant to which the Company shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Agent for deposit into the Collateral Account or as the Agent may otherwise instruct such bank. All such payments made to the Agent shall be deposited in the Collateral Account. In addition to the foregoing, the Company agrees that if the proceeds of any Collateral hereunder (including the payments made in respect of Accounts or Rolling Stock Revenues) shall be received by it, the Company shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by the Company for and as the property of the Agent and the Secured Parties and shall not be commingled with any other funds or property of the Company.

(C) The balance from time to time standing to the credit of the Collateral Account shall, except upon the occurrence and continuation of an Event of Default, be distributed to the Company upon the order of the Company. If immediately available cash on deposit in the Collateral Account is not sufficient to make any distribution to the Company referred to in the previous sentence of this Section 5(C), the Agent shall liquidate as promptly as practicable Liquid Investments as required to obtain sufficient cash to make such distribution and, notwithstanding any other provision of this Section 5, such distribution shall not be made until such liquidation has taken place. Upon the occurrence and continuation of an Event of Default, the Agent shall, if so instructed by the Majority Banks, apply or cause to be applied (subject to collection) any or all of the balance from time to time standing to the credit of the Collateral Account in the manner specified in Section 9.

(D) Amounts on deposit in the Collateral Account shall be invested and re-invested from time to time in such Liquid Investments as the Company shall determine, which Liquid Investments shall be held in the name and be under the control of the Agent, provided that, (i) if an Event of Default has occurred and is continuing, the Agent shall, if instructed by the Majority Banks, liquidate any such Liquid Investments and apply or cause to be applied the proceeds thereof in the manner specified in Section 9 and (ii) if requested by the Company, such Liquid Investments may be held in the name and under the control of one or more of the Banks (and, in that connection, each Bank, pursuant to Section 11.10 of the Credit Agreement, has agreed that such Liquid Investments shall be held by such Bank as a collateral sub-agent for the Agent). For this purpose, (1) each Liquid Investment shall mature within 30 days after it is acquired by the Agent and (2) in order to provide the Agent, for the benefit of the Secured Parties, with a perfected security interest therein, each Liquid Investment shall be either:

(i) evidenced by negotiable certificates or instruments, or if non-negotiable then issued in the name of the Agent, a sub-agent or the nominee of the Agent or sub-agent, as the case may be, which (together with any appropriate instruments of transfer) are delivered to, and held by, the Agent or an agent thereof (which shall not be the Company or any of its Affiliates) in the State of New York; or

(ii) in book-entry form and issued by the United States and subject to pledge under applicable state law and Treasury regulations and as to which (in the opinion of counsel to the Agent) appropriate measures shall have been taken for perfection of the Security Interests.

SECTION 6. General Authority

The Company hereby irrevocably appoints the Agent its true and lawful attorney, with full power of substitution, in the name of the Company, the Agent, the Secured Parties or otherwise, for the sole use and

benefit of the Agent and the Secured Parties, but at the Company's expense, to the extent permitted by law to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral:

(i) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof,

(ii) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto,

(iii) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectually as if the Agent were the absolute owner thereof, and

(iv) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto;

provided that the Agent shall give the Company not less than ten days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. The Company agrees that such notice constitutes "reasonable notification" within the meaning of Section 9-504(3) of the UCC.

SECTION 7. Remedies upon Event of Default

(A) If any Event of Default has occurred and is continuing, the Agent may exercise on behalf of the Secured Parties all rights of a secured party under the UCC (whether or not in effect in the jurisdiction where such rights are exercised) and, in addition, the Agent may, without being required to give any notice, except as herein provided or as may be required by mandatory provisions of law, (i) withdraw all cash and Liquid Investments in the Collateral Account and apply such monies, Liquid Investments and other cash, if any, then

held by it as Collateral as specified in Section 9 and (ii) if there shall be no such monies, Liquid Investments or cash or if such monies, Liquid Investments or cash applied in accordance with Section 9 shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as the Agent may deem satisfactory. The Agent or any Secured Party may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same absolutely, free from any right or claim of whatsoever kind. The Company will execute and deliver such documents and take such other action as the Agent deems necessary or advisable in order that any such sale may be made in compliance with law. Upon any such sale the Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely, free from any claim or right of whatsoever kind, including any equity or right of redemption of the Company which may be waived, and the Company, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale required by Section 6 shall (1) in case of a public sale, state the time and place fixed for such sale, and (2) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Agent may fix in the notice of such sale. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as the Agent may determine. The Agent shall not be obligated to make any such sale pursuant to any such notice. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Agent until the selling price is paid by the purchaser

thereof, but the Agent shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice. The Agent, instead of exercising the power of sale herein conferred upon it, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(B) For the purpose of enforcing any and all rights and remedies under this Agreement the Agent may (i) require the Company to, and the Company agrees that it will, at its expense and upon the request of the Agent, forthwith assemble all or any part of the Collateral as directed by the Agent and make it available at a place designated by the Agent which is, in its opinion, reasonably convenient to the Agent and the Company, whether at the premises of the Company or otherwise, (ii) to the extent permitted by applicable law, enter, with or without process of law and without breach of the peace, any premise where any of the Collateral is or may be located, and without charge or liability to it seize and remove such Collateral from such premises, (iii) have access to and use the Company's books and records relating to the Collateral and (iv) prior to the disposition of the Collateral, store or transfer it without charge in or by means of any storage or transportation facility owned or leased by the Company, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Agent deems appropriate and, in connection with such preparation and disposition, use without charge any trademark, trade name, copyright, patent or technical process used by the Company.

(C) Without limiting the generality of the foregoing, if any Event of Default has occurred and is continuing,

(i) the Agent may license, or sub-license, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patents or Trademarks included in the Collateral throughout the world for such term or terms, on such conditions and in such manner as the Agent shall in its sole discretion determine;

(ii) the Agent may (without assuming any obligations or liability thereunder), at any time and from time to time, enforce (and shall have the exclusive right to enforce) against any licensee or sublicensee all rights and remedies of the Company in, to and under any Patent Licenses or Trademark Licenses and take or refrain from taking any action under any thereof, and the Company hereby releases the Agent and each of the Secured Parties from, and agrees to hold the Agent and each of the Secured Parties free and harmless from and against any claims arising out of, any lawful action so taken or omitted to be taken with respect thereto; and

(iii) upon request by the Agent, the Company will execute and deliver to the Agent a power of attorney, in form and substance satisfactory to the Agent, for the implementation of any lease, assignment, license, sublicense, grant of option, sale or other disposition of a Patent or Trademark. In the event of any such disposition pursuant to this Section, the Company shall supply its know-how and expertise relating to the manufacture and sale of the products bearing Trademarks or the products or services made or rendered in connection with Patents, and its customer lists and other records relating to such Patents or Trademarks and to the distribution of said products, to the Agent.

SECTION 8. Limitation on Duty of Agent
in Respect of Collateral.

Beyond the safe custody thereof, the Agent shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution

in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by the Agent in good faith.

SECTION 9. Application of Proceeds

Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of the Collateral and any cash held in the Collateral Account shall be applied by the Agent in the following order of priorities:

first, to payment of the expenses of such sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, liabilities and advances incurred or made by the Agent in connection therewith, and any other unreimbursed expenses for which the Agent or any Secured Party is to be reimbursed pursuant to Section 12.03 of the Credit Agreement or Section 13 hereof and unpaid fees owing to the Agent under the Credit Agreement;

second, to the ratable payment of accrued but unpaid interest on the Loans, the Notes and the Reimbursement Obligations of the Company, and all other amounts owing to the Secured Parties by the Company under the Credit Agreement other than the unpaid principal and all amounts owing to ABN under the ESOP Guarantee other than in respect of principal; provided that any payments made or to be made to the Company pursuant to any Interest Rate Agreements shall be applied first to the payment in full of the accrued but unpaid interest on the Term Loans of the Company and the Term Loan Notes of the Company and then ratably amongst such other Loans, Notes, Reimbursement Obligations, such other amounts owing to the Secured Parties under the Credit Agreement and such amounts owing to ABN under the ESOP Guarantee;

third, to the ratable payment of unpaid principal of the Secured Obligations;

fourth, to the ratable payment of all obligations of the Company to the Secured Parties constituting Secured Interest Rate Indebtedness;

fifth, to the ratable payment of all other Secured Obligations, until all Secured Obligations shall have been paid in full; and

finally, to payment to the Company or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

The Agent may make distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

SECTION 10. Assigned Agreements

The Company hereby irrevocably authorizes and empowers the Agent for and on behalf of the Secured Parties in Agent's sole discretion, to assert, either directly or on behalf of the Company any claims the Company may have, from time to time, against any other party to the Assigned Agreements or to otherwise exercise any right or remedy of the Company under the Assigned Agreements (including, without limitation, the right to enforce directly against any party to an Assigned Agreement all of the Company's rights thereunder, to make all demands and give all notices and make all requests required or permitted to be made by the Company under the Assigned Agreements) as the Agent may deem proper. The Company hereby irrevocably makes, constitutes and appoints the Agent (and all officers, employees or agents designated by the Agent) as the Company's true and lawful attorney-in-fact for the purpose of enabling the Agent to assert and collect such claims and to exercise such rights and remedies. The Company shall keep the Agent informed of all material circumstances bearing upon the right, title and interest of the Company under the Assigned Agreements.

SECTION 11. Concerning the Agent

The provisions of Section 11 of the Credit Agreement shall inure to the benefit of the Agent in respect of this Agreement and shall be binding upon the parties to the Credit Agreement in such respect. In furtherance and not in derogation of the rights, privileges and immunities of the Agent therein set forth:

(A) The Agent is authorized to take all such action as is provided to be taken by it as Agent hereunder and all other action reasonably incidental thereto. As to any matters not expressly provided for herein (including, without limitation, the timing and methods of realization upon the Collateral) the Agent shall act or refrain from acting in accordance with written instructions from the Majority Banks or, in the absence of such instructions, in accordance with its discretion.

(B) The Agent shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. The Agent shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by the Company.

SECTION 12. Appointment of Co-Agents

At any time or times, in order to comply with any legal requirement in any jurisdiction, the Agent may appoint another bank or trust company or one or more other persons, either to act as co-agent or co-agents, jointly with the Agent, or to act as separate agent or agents on behalf of the Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment (which may, in the discretion of the Agent, include provisions for the protection of such co-agent or separate agent similar to the provisions of Section 11).

SECTION 13. Expenses

In the event that the Company fails to comply with the provisions of the Credit Agreement or this Agreement, such that the value of any Collateral or the validity, perfection, rank or value of any Security Interest is thereby diminished or potentially diminished or put at risk, the Agent if requested by the Majority Banks may, but shall not be required to, effect such compliance on behalf of the Company, and the Company shall reimburse the Agent for the costs thereof on demand. All insurance expenses and all expenses of protecting, storing, warehousing, appraising, insuring, handling, maintaining, and shipping the Collateral, any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral, or in respect of periodic appraisals and inspections of the Collateral to the extent the same may be requested by the Majority Banks from time to time, or in respect of the sale or other disposition thereof shall be borne and paid by the Company; and if the Company fails to promptly pay any portion thereof when due, the Agent or any Secured Party may, at its option, but shall not be required to, pay the same and charge the Company's account therefor, and the Company agrees to reimburse the Agent or such Secured Party therefor on demand. All sums so paid or incurred by the Agent or any Secured Party for any of the foregoing and any and all other sums for which the Company may become liable hereunder and all costs and expenses (including attorneys' fees, legal expenses and court costs) reasonably incurred by the Agent or any Secured Party in enforcing or protecting the Security Interests or any of their rights or remedies under this Agreement, shall, together with interest thereon until paid at the rate applicable to Prime Rate Loans made under the Credit Agreement, be additional Secured Obligations hereunder.

SECTION 14. Termination of Security Interests; Release of Collateral

Upon the repayment in full of all Secured Obligations and the termination of the Commitments and Letters of Credit under the Credit Agreement, the expiration or termination of the commitments of the Banks to make payments under any Interest Rate Agreements and the termination of the commitment of ABN

under the ESOP Loan Agreement, the Security Interests shall terminate and all rights to the Collateral shall revert to the Company. At any time and from time to time prior to such termination of the Security Interests, the Agent may release any of the Collateral with the prior written consent of the Majority Banks. Upon any such termination of the Security Interests or release of Collateral, the Agent will, at the expense of the Company, execute and deliver to the Company such documents as the Company shall reasonably request to evidence the termination of the Security Interests or the release of such Collateral, as the case may be.

SECTION 15. Notices

All notices, communications and distributions hereunder shall be given in accordance with Section 12.02 of the Credit Agreement.

SECTION 16. Waivers, Non-Exclusive Remedies

No failure on the part of the Agent to exercise, and no delay in exercising and no course of dealing with respect to, any right under the Credit Agreement or this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent of any right under the Credit Agreement or this Agreement preclude any other or further exercise thereof or the exercise of any other right. The rights in this Agreement and the Credit Agreement are cumulative and are not exclusive of any other remedies provided by law.

SECTION 17. Successors and Assigns

This Agreement is for the benefit of the Agent and the Secured Parties and their successors and assigns, and in the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. This Agreement shall be binding on the Company and its successors and assigns.

SECTION 18. Changes in Writing

Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by the Company and the Agent with the consent of the Majority Banks.

SECTION 19. NEW YORK LAW

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN NEW YORK ARE GOVERNED BY THE LAWS OF SUCH JURISDICTION.

SECTION 20. Severability

If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Agent and the Secured Parties in order to carry out the intentions of the parties hereto as nearly as may be possible; and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

SECTION 21. Counterparts

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ISC ACQUISITION COMPANY

By

Title:


Treasurer

ALGEMENE BANK, NEDERLAND N.V.,
HOUSTON AGENCY, as Agent

By

Title:


V.P.

By

Title:


S.V.P.

STATE OF New York)
)
COUNTY OF New York)


This instrument was acknowledged before me on
December 15, 1988 by Robert Santoski,
Treasurer of ISC ACQUISITION COMPANY, a
Delaware corporation, on behalf of said corporation.

Eileen Nolan
Notary Public in and for The
State of
EILEEN NOLAN
Notary Public, State of New York
No. 24-4776107
Name: Qualified in Richmond County
Commission Expires Dec. 31, 1989

My Commission Expires:

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 15th day of December, 1988, before me personally came Collis G. Sanders and Don Hannah, to me known, who, being by me duly sworn, did depose and says that ~~he~~ resides at Houston, Texas; that ~~he~~ ^{They} ~~is~~ ^{are} a VP and S.V.P. of ALGEMENE BANK NEDERLAND N.V., the bank described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said bank.



Notary Public

EILEEN NOLAN
Notary Public, State of New York
No. 24-4776107
Qualified in Richmond County
Commission Expires Dec. 31, 1989

SCHEDULE 1

Railcars Owned by the Company:

Car Number

KGCX 400	KGCX 420
KGCX 401	KGCX 421
KGCX 402	KGCX 422
KGCX 403	KGCX 423
KGCX 404	KGCX 424
KGCX 405	KGCX 425
KGCX 406	KGCX 426
KGCX 407	KGCX 427
KGCX 408	KGCX 428
KGCX 409	KGCX 429
KGCX 410	KGCX 430
KGCX 411	KGCX 431
KGCX 412	KGCX 432
KGCX 413	KGCX 433
KGCX 414	KGCX 434
KGCX 415	
KGCX 416	
KGCX 417	
KGCX 418	
KGCX 419	

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SCHEDULE 2

Railcar Leases

1. Car Service Contract No. 2-4383 dated April 7, 1987 between Koppers Company, Inc. ("Koppers") and ACF Industries, Incorporated ("ACF"), as assigned to the Company by Koppers pursuant to the Asset Purchase Agreement dated as of December __, 1988 ("Purchase Agreement") between the Company and Koppers.
2. The Car Service Contract No. 2-2811 dated as of August 8, 1983 between Koppers and ACF as renewed on June 24, 1987 and as assigned to the Company by Koppers pursuant to the Purchase Agreement.
3. Car Service Contract No. 2-4557 dated as of September 28, 1987 between Koppers and ACF as assigned to the Company by Koppers pursuant to the Purchase Agreement.
4. Car Service Contract No. 2-3650 dated as of April 4, 1985 between Koppers and ACF, as amended on May 1, 1985 and April 19, 1985, and as assigned to the Company by Koppers pursuant to the Purchase Agreement.
5. Lease of Railroad Equipment dated as of April 1, 1987 between Koppers and Pullman Leasing Company and Rider 16 thereto as assigned to the Company by Koppers pursuant to the Purchase Agreement.
6. Car Service Contract dated as of November 30, 1982 between General American Transport Corporation and Koppers and Rider No. 13 thereto as assigned to the Company by Koppers pursuant to the Purchase Agreement.
7. Car Leasing Agreement No. 5019-1 dated as of July 9, 1984 between Koppers and General Electric Railcar Services Corporation and Riders No. 2, 3, 5, 13, and 16 thereto, as assigned to the Company pursuant to the Purchase Agreement.

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SCHEDULE 3

LEASED RAILCARS

Car Numbers

ACFX 62813	NAHX 35711	NAHX 51326
	NAHX 35715	NAHX 51351
ACFX 63421		NAHX 51360
ACFX 63426	NAHX 35731	NAHX 51377
ACFX 63427	NAHX 35732	
ACFX 63428	NAHX 35733	NAHX 51517
ACFX 63429	NAHX 35735	
		NAHX 51610
ACFX 63433	NAHX 35741	NAHX 51612
	NAHX 35743	
ACFX 63512	NAHX 35747	NAHX 51908
ACFX 63513	NAHX 35748	NAHX 51925
ACFX 63514		NAHX 51968
ACFX 63515	NAHX 35756	
ACFX 63516	NAHX 35759	NAHX 52235
ACFX 63517	NAHX 35763	NAHX 52451
	NAHX 35766	NAHX 52483
ACFX 64163	NAHX 35769	NAHX 52487
		NAHX 52489
ACFX 64206	NAHX 35770	
	NAHX 35771	NAHX 52602
NAHX 35540	NAHX 35775	NAHX 52605
NAHX 35666		
NAHX 35668	NAHX 45377	NAHX 63049
NAHX 35671	NAHX 46133	NAHX 64227
	NAHX 46134	
NAHX 35683	NAHX 46135	NAHX 475151
NAHX 35687		NAHX 475594
NAHX 35689	NAHX 46142	
		NAHX 476123
NAHX 35690	NAHX 47117	
NAHX 35691		NAHX 478468
NAHX 35692	NAHX 48326	NAHX 478886
NAHX 35694		NAHX 478953
NAHX 35695	NAHX 48343	
		NAHX 487103
NAHX 35704	NAHX 48348	NAHX 487772
NAHX 35706		
NAHX 35708	NAHX 51312	NAHX 800239

NAHX 800246

ACFX 47644

ACFX 60465

PTLX 223301

PTLX 223303

ACFX 60722

PTLX 223307

PTLX 223309

ACFX 61287

ACFX 61288

ACFX 61302

ACFX 61950

ACFX 63527

ACFX 63529

ACFX 63531

ACFX 63532

ACFX 63601

ACFX 63603

ACFX 63608

ACFX 63609

ACFX 63678

ACFX 63689

ACFX 63814

ACFX 63817

ACFX 63819

ACFX 63821

ACFX 63839

ACFX 63890

ACFX 64181

ACFX 64186

ACFX 64188

ACFX 64192

ACFX 64193

ACFX 64195

ACFX 47490

ACFX 47491

ACFX 47496

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PATENT SECURITY AGREEMENT

(PATENTS, PATENT APPLICATIONS AND PATENT LICENSES)

WHEREAS, ISC Acquisition Company, a Delaware corporation (herein referred to as "Grantor"), owns the Patents listed on Schedule 1 annexed hereto, and is a party to the Patent Licenses listed on Schedule 1 annexed hereto;

WHEREAS, the Grantor, certain banks, Algemene Bank Nederland N.V., Houston Agency and The Bank of Nova Scotia, as managers, and Algemene Bank Nederland N.V., Houston Agency, as agent for such banks (the "Banks") are parties to a Credit Agreement of even date herewith (as the same may be amended and in effect from time to time, the "Credit Agreement");

WHEREAS, the Grantor and Algemene Bank Nederland N.V., Houston Agency ("ABN") are parties to a Contingent Purchase Agreement of even date herewith (as the same may be amended and in effect from time to time, the "ESOP Guarantee"), pursuant to which the Grantor guarantees the obligations of the ISC Acquisition Company Employee Stock Ownership Plan (and the trust forming a part thereof) under that certain Loan Agreement of even date herewith between said plan (and said trust) and ABN;

WHEREAS, the Company may, after the date hereof, become obligated to the Banks in respect of indebtedness under one or more Interest Rate Agreements (as defined in the Credit Agreement) as contemplated by Section 9.23 of the Credit Agreement;

WHEREAS, pursuant to the terms of the Security Agreement of even date herewith (as said amended Agreement may be amended and in effect from time to time, the "Security Agreement"), between Grantor and Algemene Bank Nederland N.V., Houston Agency, as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee for the ratable benefit of such secured parties a security interest in substantially all the assets of the Grantor including all right, title and interest of Grantor in, to and under all Grantor's Patents (as defined in the Security Agreement), together with any reissue, continuation, continuation-in-part or extension thereof, all Grantor's Patent applications and all Grantor's Patent Licenses (as defined in the Security Agreement), whether presently existing or hereafter arising or acquired, and all products and proceeds thereof, including, without limitation, any and

all causes of action which may exist by reason of infringement thereof for the full term of the Patents, to secure the payment of all amounts owing by the Grantor under the Credit Agreement and under the ESOP Guarantee and obligations of the Grantor constituting Secured Interest Rate Indebtedness (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Patent and Patent application, including, without limitation, each Patent and Patent application referred to in Schedule 1 annexed hereto;

(ii) each Patent License, including, without limitation, each Patent License listed on Schedule 1 annexed hereto; and

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of any Patent, including, without limitation, any Patent referred to in Schedule 1 annexed hereto, and any Patent licensed under any Patent License listed, including, without limitation, any Patent License listed on Schedule 1 annexed hereto.

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Patent
Security Agreement to be duly executed by its
thereunto duly authorized as of
the ____ day of December, 1988.

ISC ACQUISITION COMPANY

By: _____
Title:

Acknowledged:

ALGEMENE BANK NEDERLAND N.V.,
HOUSTON AGENCY, as Agent

Title:

Title:

)
) ss.:
)

On the _____ day of _____, 19__, before me personally came _____, to me personally known and known to me to be the person described in and who executed the foregoing instrument as _____ of ISC ACQUISITION COMPANY who being by me duly sworn, did depose and say that he resides at _____; that he is _____ of ISC ACQUISITION COMPANY the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that the said instrument was signed and sealed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

[Seal]

My commission expires:

Schedule 1
to Patent
Security Agreement

PATENT LICENSES

<u>Name of Agreement</u>	<u>Parties</u>	<u>Date of Agreement</u>
Patent License Agreement re: U.S. Patent No.		

PATENTS.

U.S. Patent No.

Date Issued

Related Foreign Patents

TRADEMARK SECURITY AGREEMENT

(TRADEMARKS, TRADEMARK REGISTRATIONS, TRADEMARK APPLICATIONS
AND TRADEMARK LICENSES)

WHEREAS, ISC Acquisition Company, a Delaware corporation (herein referred to as "Grantor"), owns the Trademark and Trademark registration listed on Schedule 1 annexed hereto;

WHEREAS, the Grantor, certain banks, Algemene Bank Nederland N.V., Houston Agency, and The Bank of Nova Scotia, as managers, and Algemene Bank Nederland N.V., Houston Agency, as agent for such banks (the "Banks") are parties to a Credit Agreement of even date herewith (as the same may be amended and in effect from time to time, the "Credit Agreement");

WHEREAS, the Grantor and Algemene Bank Nederland N.V., Houston Agency ("ABN") are parties to a Contingent Purchase Agreement of even date herewith (as the same may be amended and in effect from time to time, the "ESOP Guarantee"), pursuant to which the Grantor guarantees the obligations of the ISC Acquisition Company Employee Stock Ownership Plan (and the trust forming a part thereof) under that certain Loan Agreement of even date herewith between said plan (and said trust) and ABN;

WHEREAS, the Company may, after the date hereof, become obligated to the Banks in respect of indebtedness under one or more Interest Rate Agreements (as defined in the Credit Agreement) as contemplated by Section 9.23 of the Credit Agreement;

WHEREAS, pursuant to the terms of the Security Agreement of even date herewith (as said amended Agreement may be further amended and in effect from time to time, the "Security Agreement"), between Grantor and Algemene Bank Nederland N. V., Houston Agency, as agent for the secured parties referred to therein (in such capacity, together with its successors in such capacity, the "Grantee"), Grantor has granted to Grantee for the ratable benefit of such secured parties, a security interest in substantially all the assets of the Grantor including all right, title and interest of Grantor in, to and under all Grantor's Trademarks (as defined in the Security Agreement), together with any reissues extensions or renewals thereof, Trademark registrations, Trademark applications and Trademark Licenses (as defined in the

Security Agreement), whether presently existing or hereafter arising or acquired, together with the goodwill of the business symbolized by the Trademarks and the applications therefor and the registrations thereof, and all products and proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement or dilution thereof or injury to the associated goodwill, to secure the payment of all amounts owing by the Grantor under the Credit Agreement and under the ESOP Guarantee and obligations of the Grantor constituting Secured Interest Rate Indebtedness (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor's right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the "Trademark Collateral"), whether presently existing or hereafter arising or acquired:

(i) each Trademark, Trademark registration and Trademark application, including, without limitation, the Trademark and Trademark registration referred to in Schedule 1 annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;

(ii) each Trademark License and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark licensed; and

(iii) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademark and Trademark registration referred to in Schedule 1 annexed hereto, and any Trademark licensed under any Trademark License or for injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark License.

This security interest is granted in conjunction with the security interests granted to the Grantee pursuant to the Security Agreement. Grantor does hereby further acknowledge and affirm that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are

incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its _____ thereunto duly authorized as of the _____ day of December, 1988.

ISC ACQUISITION COMPANY

By: _____
Title:

Acknowledged:

ALGEMENE BANK NEDERLAND N.V.,
HOUSTON AGENCY, as Agent

Title:

Title:

)
: ss.:
)

On the _____ day of _____, 198_, before me personally came _____, to me personally known and known to me to be the person described in and who executed the foregoing instrument as _____ of ISC ACQUISITION COMPANY, who being by me duly sworn, did depose and say that he resides at _____; that he is _____ of ISC ACQUISITION COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that the said instrument was signed and sealed on behalf of said corporation by order of its Board of Directors; that he signed his name thereto by like order; and that he acknowledged said instrument to be the free act and deed of said corporation.

Notary Public

[Seal]

My commission expires:

Schedule 1
to Trademark
Security Agreement

U.S. TRADEMARK REGISTRATIONS

<u>MARK</u>	<u>REG. NO.</u>	<u>DATE</u>	<u>FIRST USE</u>	<u>GOODS</u>
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PERFECTION CERTIFICATE

The undersigned, the chief executive officer and chief legal officer of ISC Acquisition Company, a Delaware corporation (the "Company") hereby certify with reference to the Security Agreement dated as of December 15, 1988 between the Company and Algemene Bank Nederland N.V., Houston Agency, as Agent (terms defined therein being used herein as therein defined), to the Agent and each Bank as follows:

1. Names. (a) The exact corporate name of the Company as it appears in its certificate of incorporation is as follows:

(b) Set forth below is each other corporate name the Company has had since its organization, together with the date of the relevant change:

(c) Except as set forth in Schedule 1, the Company has not changed its identity or corporate structure in any way within the past five years.

[Changes in identity or corporate structure would include mergers, consolidations and acquisitions, as well as any change in the form, nature or jurisdiction of corporate organization. If any such change has occurred, include in Schedule 1 the information required by paragraphs 1, 2 and 3 of this certificate as to each acquiree or constituent party to a merger or consolidation.]

(d) The following is a list of all other names (including trade names or similar appellations) used by the Company or any of its divisions or other business units at any time during the past five years:

2. Current Locations. (a) The chief executive office of the Company is located at the following address:

<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(b) The following are all the locations where the Company maintains any books or records relating to any Accounts:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(c) The following are all the places of business of the Company not identified above:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(d) The following are all the locations where the Company maintains any Inventory not identified above:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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(e) The following are the names and addresses of all Persons other than the Company which have possession of any of the Company's Inventory:

<u>Name</u>	<u>Mailing Address</u>	<u>County</u>	<u>State</u>
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3. Prior Locations. (a) Set forth below is the information required by subparagraphs (a), (b) and (c) of paragraph 2 with respect to each location or place of business maintained by the Company at any time during the past five years:

(b) Set forth below is the information required by subparagraphs (d) and (e) of paragraph 2 with respect to each location or bailee where or with whom Inventory has been lodged at any time during the past four months:

4. Unusual Transactions. Except as set forth in Schedule 4, all Accounts have been originated by the Company and all Inventory and Equipment has been acquired by the Company in the ordinary course of its business.

5. File Search Reports. Attached hereto as Schedule 5(A) is a true copy of a file search report from the Uniform Commercial Code filing officer in each jurisdiction identified in paragraph 2 or 3 above with respect to each name set forth in paragraph 1 above. Attached hereto as Schedule 5(B) is a true copy of each financing statement or other filing identified in such file search reports. A file search has been performed in the records of the Interstate Commerce Commission with respect to all of the Rolling Stock and Leased Rolling Stock and no other filings related to the Rolling Stock or Leased Rolling Stock were discovered in such search.

6. UCC Filings. A duly signed financing statement on Form UCC-1 in substantially the form of Schedule 6(A) hereto has been duly filed in the Uniform Commercial Code filing office in each jurisdiction identified in paragraph 2 hereof; a duly signed copy of the Security Agreement has been duly filed with the Secretary of the Interstate Commerce Commission and duly signed copies of the Patent Security Agreement and the Trademark Security Agreement have been duly filed with the United States Patent and Trademark Office.

A true copy of each such filing duly acknowledged by the filing officer has been delivered to the Agent.

7. Schedule of Filings. Attached hereto as Schedule 7 is a schedule setting forth filing information with respect to the filings described in paragraph 6 above.

8. Filing Fees. All filing fees and taxes payable in connection with the filings described in paragraph 6 above have been paid.

IN WITNESS WHEREOF, we have hereunto set our hands
this day of , 19__.

Title:

Title:

Description of Collateral

- (1) Accounts;
- (2) Inventory;
- (3) General Intangibles;
- (4) Documents;
- (5) Instruments;
- (6) Equipment;
- (7) The Collateral Account, all cash deposited therein from time to time, the Liquid Investments made pursuant to Section 5(D) and other monies and property of any kind of the Company in the possession or under the control of the Agent;
- (8) All books and records (including, without limitation, customer lists, marketing information, credit files, price lists, operating records, vendor and supplier price lists, sales literature, computer programs, printouts and other computer materials and records) of the Company pertaining to any of the Collateral;
- (9) All right, title, claims and benefits now owned or hereafter acquired by the Company in and to those railcar leases and subleases identified on Schedule 2 hereto and any other railcar leases, subleases, rental agreements and car hire contracts in which the Company shall at any time have any interest, and any right, title, claim and benefits of the Company now owned or hereafter acquired in and to any management agreement concerning all such leases and agreements (collectively, "Rolling Stock Leases"); and all right, title and interest of the Company in the railcars and equipment provided pursuant to the Rolling Stock Leases, including without limitation, those railcars identified on Schedule 3 hereto ("Leased Rolling Stock"); in each case, including, without limitation, all rights of the Company to receive and apply any Rolling Stock Revenues attributable to the Leased Rolling Stock or pursuant to the Rolling Stock Leases;
- (10) All rights now owned or hereafter acquired by the Company to receive and collect any Rolling Stock Revenues;

(11) All Proceeds of, attachments or accessions to, or substitutions for all or any of the Collateral described in Clauses 1 through 10 hereof.

SCHEDULE 7

SCHEDULE OF FILINGS

<u>Debtor</u>	<u>Filing Officer</u>	<u>File Number</u>	<u>Date of Filing*</u>
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* Indicate lapse date, if other than fifth anniversary.

OPINION OF
COUNSEL FOR BORROWER

* * * *

The Security Agreement creates and constitutes as security for the Secured Obligations (as defined in the Security Agreement and including any future advances which are Secured Obligations), in favor of the Agent for the ratable benefit of the Secured Parties a valid security interest in all right, title and interest of the Company in the Collateral and all right, title and interest of the Company in the Collateral Account (as defined in the Security Agreement). The security interests of the Agent in the Collateral created by the Security Agreement constitute perfected security interests under the Uniform Commercial Code as in effect in [] ("UCC"), the Interstate Commerce Act ("ICA"), the United States Patent Act ("PA") and the United States Trademark Act ("TMA") to the extent that a security interest therein may be perfected under the UCC, the ICA, the PA or the TMA. The priority of the security interests created by the Security Agreement with respect to any advance contemplated by the Credit Agreement, the ESOP Loan Agreement and any Secured Interest Rate Indebtedness, and referred to in the Security Agreement ("Further Advance") made or deemed to have been made after the date hereof, will be at least the same priority as the priority of the security interests created by the Security Agreement with respect to any advance made on the date hereof, except to the extent that any priority may be affected by any security interest, lien or other encumbrance imposed by law in favor of any government or government authority or agency. Unless otherwise specifically defined herein, each term defined herein has the meaning assigned to such term in the Security Agreement.

With respect to the enforceability of the Security Documents, we express no opinion as to the availability of specific performance. Moreover, our opinion with respect to the enforceability of the Security Documents is subject to the further qualification that certain remedial provisions thereof may be limited by the law of the State of [] and applicable law of the United States of America, but such laws do not, in our opinion, make the remedies afforded thereby inadequate for the practical realization of the benefits of the security intended to be provided thereby.

[FORM OF LOCKBOX LETTER]

_____, 19__

[Name and Address of Lockbox Bank]

Re: ISC Acquisition Company

Gentlemen:

We hereby notify you that effective _____, 19__, we have transferred exclusive ownership and control of our lock-box account[s] No[s]. _____ (the "Lockbox Account[s]") maintained with you under the terms of the [Lockbox Agreement] attached hereto as Exhibit A (the "Lockbox Account[s]") to Algemene Bank Nederland N.V., Houston Agency, as Agent (the "Agent").

We hereby irrevocably instruct you to make all payments to be made by you out of or in connection with the Lockbox Account[s] (i) to the Agent for credit to account no. _____ maintained by it at its office at _____ or (ii) as you may otherwise be instructed by the Agent.

We also hereby notify you that the Agent shall be irrevocably entitled to exercise any and all rights in respect of or in connection with the Lockbox Account[s], including, without limitation, the right to specify when payments are to be made out of or in connection with the Lockbox Account[s].

All funds deposited into the Lockbox Account[s] will not be subject to deductions, set-off, banker's lien or any other right in favor of any other person than the Agent, except that you may set-off against the Lockbox Account[s] the face amount of any check deposited in and credited to such Lockbox Account[s] which is subsequently returned for any reason. Your compensation for providing the services contemplated herein shall be as mutually agreed between you and us from time to time and we will continue to pay such compensation.

Please confirm your acknowledgment of and agreement to the foregoing instructions by signing in the space provided below.

Very truly yours,

ISC ACQUISITION COMPANY

By _____
Title:

Acknowledged and agreed
to as of this ____ day of
_____, 19__.

[LOCKBOX BANK]

By _____
Title: